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T.R.A. DOCKET ROOM

April 11, 2005

Honorable Pat Miller, Chairman  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, Tennessee 37243-0505

**Re: Docket No. 05-00066 Approval of Verizon Communications Inc.'s  
Acquisition of MCI, Inc.**

Dear Chairman Miller:

On March 7, 2005, Verizon Communications Inc. ("Verizon") and MCI, Inc. ("MCI") (collectively, the "Parties") filed a Joint Notice with the Commission describing Verizon's proposed acquisition of MCI pursuant to the Agreement and Plan of Merger ("Agreement") dated February 14, 2005. This letter is to advise the Commission of the Parties' March 29, 2005 Amendment to the Agreement, a copy of which is attached hereto.

The March 29 Amendment does not alter the structure of the proposed acquisition as described in the Parties' Notice. Nor does the Amendment change the fact that this transaction will not affect telecommunications services or operations provided by the parties' subsidiaries in Tennessee. The Amendment simply modifies the Agreement to reflect a recent accord among the parties concerning revised financial terms of the acquisition and certain provisions relating to termination of the Agreement. In addition, the Parties have waived certain provisions relating to MCI's ability to hold discussions with Qwest and have amended their confidentiality agreement to change certain provisions relating to disclosure obligations.

Specifically, the Amendment increases the financial consideration for the transaction by modifying Sections 1.08(a), 1.10(g), 3.28 and 6.16 of the Agreement to provide that: (i) MCI's shareholders will receive 0.4062 shares of Verizon common stock and \$2.75 cash for every share they own of MCI (rather than 0.4062 shares of Verizon common stock and \$1.50 cash for every share they own of MCI as described in the Agreement); and (ii) in addition to the Verizon shares and cash, MCI shareholders will receive a special dividend in the amount of \$5.60 per share (rather than the \$4.10 described in the Agreement), less any dividend paid by MCI between February 14, 2005, and the consummation of the transaction. See Amendment ¶ 1(a)-(d).

In addition to revising the financial terms of the transaction, the Amendment modifies the scope of the Parties' Representations and Warranties under the Agreement, see Amendment ¶ 2(a)-(b), and the Agreement's Non-Solicitation Clause, see *id.* ¶ 3. Finally, the Amendment revises the Agreement's Termination and Termination Fee provisions to: (i) redefine the circumstances under which a termination fee is payable; and (ii) increase the termination fee

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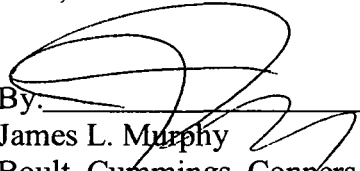
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payable pursuant to the Amended Agreement from \$200,000,000 to \$240,000,000. See Amendment ¶ 4(a)-(b).

As noted above, the March 29 Amendment does not affect the structure of the proposed acquisition or its anticipated effects in Tennessee as described in the Parties' March 7, 2005 Notice. Accordingly, the Amendment does not require Commission action beyond that requested in, or necessitated by, the Parties' March 7, 2005 submission. If the Commission has any questions regarding the impact of the March 29 Amendment or any other aspect of the proposed transaction, please do not hesitate to contact us. The Parties will, of course, promptly advise the Commission of any further developments concerning the transaction.

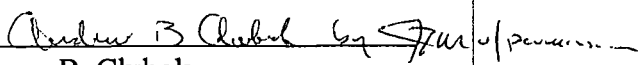
Respectfully submitted,

MCI, INC.

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Enclosure

cc: State Attorney General (By Overnight Delivery)

Exchange Ratio is greater than 0.4062, then Parent shall have the right, in its absolute discretion, to reduce the Exchange Ratio to an amount no less than 0.4062 and, in such case, the Per Share Cash Amount shall be increased by an amount (rounded to the nearest hundredth of a cent) equal to the product of (x) the amount by which Parent has reduced the Exchange Ratio and (y) the Average Parent Stock Price. The Exchange Ratio and the Per Share Cash Amount determined above shall be subject to adjustment pursuant to Section 1.10 (as so adjusted, the "Merger Consideration"). For purposes of this Agreement, "Average Parent Stock Price" shall mean the volume weighted average of the closing prices of Parent Common Stock, as such prices are reported on the NYSE Composite Transactions Tape, for each of the 20 trading days ending on the third trading day immediately preceding the Effective Time."

(b) Section 1.10(g) of the Merger Agreement shall be amended by (i) deleting the words "shall be equal to the product of (x) 0.4062" and replacing them with the words "following such adjustment shall be equal to the product of (x) the Exchange Ratio prior to such adjustment", and (ii) deleting each reference to the number "\$1,725,000,000" and replacing it with the number "\$1,775,000,000".

(c) Section 3.28 of the Merger Agreement shall be amended by (i) deleting the words "February 13, 2005" and replacing them with the words "March 29, 2005", and (ii) deleting the words ", the Special Cash Dividend and the \$0.40 per share cash dividend declared by the Board of Directors of the Company on February 11, 2005" and replacing them with the words "and the Special Cash Dividend".

(d) Section 6.16 of the Merger Agreement shall be amended by (i) deleting the words "unless prohibited by applicable law or covenants in instruments of Indebtedness existing as of the date hereof" and replacing them with the words "to the extent not prohibited by applicable law or covenants in instruments of Indebtedness existing as of the date hereof", and (ii) deleting the reference to the number "\$4.10" and replacing it with the number "\$5.60".

## 2. Representations and Warranties.

(a) The first paragraph of Article III of the Merger Agreement shall be amended by (i) adding, immediately after the words "prior to the date hereof", the words "or in the Company's Form 10-K for the year ended December 31, 2004", and (ii) adding, immediately after the words "any such Company SEC Document", the words "or such Form 10-K".

(b) The first paragraph of Article IV of the Merger Agreement shall be amended by (i) adding, immediately after the words "prior to the date hereof", the words "or in Parent's Form 10-K for the year ended December 31, 2004", and (ii) adding,

immediately after the words “any such Parent SEC Document”, the words “or such Form 10-K”.

3. Non-Solicitation. Section 6.5(c) of the Merger Agreement shall be amended by (a) deleting the words “two Business Days” in the parenthetical to clause (ii) in the second proviso of its second sentence and replacing them with the words “three Business Days”, and (b) deleting the words “as a result of an Intervening Event” in its fourth sentence.

4. Termination and Termination Fee.

(a) Section 8.1(d)(ii) of the Merger Agreement shall be amended and restated to read in its entirety as follows:

“(ii) pursuant to the last sentence of Section 6.5(c), if the Company, prior to the termination of this Agreement, pays the Termination Fee (as defined in Section 8.3(a)) to Parent.”

(b) Sections 8.3(a) and 8.3(b) of the Merger Agreement shall be amended and restated to read in their entirety as follows:

“(a) If this Agreement is terminated pursuant to any of the following provisions, the Company shall pay to Parent a fee equal to \$240,000,000 (the “Termination Fee”), which Termination Fee, together with the reimbursement of Expenses pursuant to Section 8.3(b), shall be Parent’s sole remedy in respect of termination of this Agreement except in the case of any willful breach of this Agreement by the Company.

(i) Sections 8.1(c)(ii) or (iii);

(ii) Section 8.1(d)(ii);

(iii) Section 8.1(b)(iii), provided that within twelve months after the date of such termination, the Company enters into a definitive agreement to consummate, or consummates, the transactions contemplated by any Takeover Proposal; and provided, further, that, solely for purposes of this Section 8.3(a)(iii), the term “Takeover Proposal” shall have the meaning ascribed thereto in Section 6.5(e), except that all references to 15% shall be changed to 40%; or

(iv) Section 8.1(c)(i), provided, that such termination is based on a material breach of Section 6.2.

(b) If the Company is required to pay Parent a Termination Fee, such Termination Fee shall be payable immediately prior to termination of this Agreement in

the event of termination by the Company, and not later than one Business Day after the receipt by the Company of a notice of termination from Parent in the event of termination by Parent, in each case by wire transfer of immediately available funds to an account designated by Parent (except that, in the case of termination pursuant to Section 8.1(b)(iii), such payment shall be made on the date of the first to occur of either of the events referred to in the first proviso to Section 8.3(a)(iii)). If the Company is required to pay Parent a Termination Fee, or this Agreement is terminated pursuant to Section 8.1(b)(iii), the Company shall, in addition to any Termination Fee that may be payable, reimburse Parent and Merger Sub for all of their Expenses, up to a maximum amount of \$10,000,000, within one Business Day of receipt of written notice from Parent requesting payment thereof.”

5. Ratification. Except as otherwise provided herein, all of the terms, covenants and other provisions of the Merger Agreement are hereby ratified and confirmed and shall continue to be in full force and effect in accordance with their respective terms. After the date hereof, all references to the Merger Agreement shall refer to the Merger Agreement as amended by this Amendment.

6. Miscellaneous. Section 9.10 of the Merger Agreement shall apply to this Amendment *mutatis mutandi*. This Amendment may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall together constitute one and the same instrument and shall bind and inure to the benefit of the parties and their respective successors and assigns.

IN WITNESS WHEREOF, Parent, Merger Sub and the Company have caused this Amendment to be signed by their respective officers thereunto duly authorized, all as of the date first written above.

VERIZON COMMUNICATIONS INC.

By: /s/ Ivan Seidenberg  
Name: Ivan Seidenberg  
Title: Chairman and CEO

ELI ACQUISITION, LLC

By: /s/ John W. Diercksen  
Name: John W. Diercksen  
Title: Senior Vice President –Strategy,  
Development and Planning

MCI, INC.

By: /s/ Michael Capellas  
Name: Michael Capellas  
Title: President and CEO